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FOREIGN MARKET STUDY

YUGOSLAVIA

Ontario, Trade and Development
dept.

Prepared by:

JMT
August 1971

Foreign Market Development Section
Research Branch
Trade & Industry Division
950 Yonge Street
Toronto, Ontario

F O R E W O R D

Export marketing research is a subject of considerable interest to our Department, to Ontario manufacturers and to businessmen who may be interested in exports. The Foreign Market Studies which are undertaken by our Section, are written for the use of our Trade and Industry Division, and specifically by our Marketing Branch and Trade Mission members. These studies depict the economic background of the countries that will be visited. For this reason our Foreign Market Studies are, in the first instance, working documents designed for the use of the Department and cannot be taken in their entirety as expressing the opinion or position of the Department of Trade and Development.

Equivalents of metric, Imperial and U.S. units of measure

Metric Units		Imperial and U.S. Equivalents		Imperial and U.S. Units		Metric Equivalents
<u>Length -</u>						
1 centimetre (cm).....		0.394	inch	1 inch.....		2.540 cm
1 metre (m).....	{	3.281	feet	1 foot.....		30.480 cm
		1.094	yard	1 yard.....		0.914 m
1 kilometre (km).....	{	0.621	mile	1 mile.....		1609.344 m
		0.539	int. naut. mile	1 International nautical mile.....		1852.000 m
<u>Area -</u>						
1 square centimetre - cm ² ..		0.155	square inch	1 square inch.....		6.451 cm ²
1 square metre - m ²	{	10.764	square feet	1 square foot.....		9.290 dm ²
		1.196	square yard	1 square yard.....		0.836 m ²
1 hectare - ha.....		2.471	acres	1 acre.....		0.405 ha
1 square kilometre - km ² ...		0.386	square mile	1 square mile.....		2.589 km ²
<u>Volume -</u>						
1 cubic centimetre - cm ³ ...		0.061	cubic inch	1 cubic inch.....		16.387 cm ³
1 cubic metre - m ³	{	35.315	cubic feet	1 cubic foot.....		28.317 dm ³
		1.308	cubic yard	1 cubic yard.....		0.765 m ³
<u>Capacity -</u>						
1 litre (L).....	{	0.879	Imp. quart	1 Imperial British quart.....		1.136 L
		1.057	U.S. liq. quart	1 U.S. liquid quart.....		0.946 L
		0.908	U.S. dry quart	1 U.S. dry quart.....		1.101 L
		21.997	Imp. gallons	1 Imperial gallon.....		4.546 L
		26.417	U.S. gallons	1 U.S. gallon.....		3.785 L
1 hectolitre (HL).....	{	2.749	Imp. bushels	1 Imperial bushel.....		36.369 L
		2.838	U.S. bushels	1 U.S. bushel.....		35.239 L
<u>Weight or Mass -</u>						
1 kilogramme (kg).....	{	35.274	av. ounces	1 av. ounce.....		28.349 g
		32.151	troy ounces	1 troy ounce.....		31.103 g
		2.205	av. pounds	1 av. pound.....		453.592 g
				1 centerweight (100 lb.).....		45.359 kg
				1 hundredweight (112 lb.).....		50.802 kg
1 ton -	{	1.102	short tons	1 short ton.....		0.907 t
		0.984	long tons	1 long ton.....		1.016 t

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MARKET INDICATORS

	<u>Yugoslavia</u>	<u>Canada</u>
1. Population 1970	20.5 million	21.4 million
2. G.N.P. (1969)	\$9.68 billion	\$78 billion
3. Passenger cars in use (1969)	562,509	6.2 million
Telephones in use (1969)	622,939	8.4 million
Televisions sets in use (1969)	1,546,460	7 million
4. Major Industrial Production (1970)		
Steel	2.2 million metric tons	11.1 million metric tons
Cement	4.4 million metric tons	7.2 million metric tons
Motor vehicles	62,500	940,800
Electricity	26 billion kwh	203.7 billion kwh
5. Trade 1970		
Exports	\$1.8 billion	\$16.4 billion
Exports per capita	\$87	\$766
Imports	\$3.0 billion	\$13.9 billion
Imports per capita	\$146	\$649
6. International Liquidity (US\$) June 1971	\$203 million	\$4.8 billion

All values in this study are in Canadian dollars unless otherwise indicated. All conversions from Yugoslav dinars were made at the rate prevailing before the decision to float the Canadian dollar i.e. 1 Yugoslav dinar = \$0.0859.

YUGOSLAVIA



INTRODUCTION

Yugoslavia is a country of over twenty million people with a G.N.P. of \$9.7 billion (1969). Under the presidency of Josip BROZ TITO, Yugoslavia has experienced a long period of political stability which has provided a healthy environment for economic development.

In 1965 extensive reforms were introduced with the aim of consolidating the leading role of self-management and re-orientating the economy away from central control and establishing a free market economy. The reforms of 1965 were succeeded by a temporary slowdown in economic growth but re-stimulation of the economy after mid-1968 led to a rapid expansion in 1969.

Freedom in wage and price determination allowed inflationary pressures to emerge and prices increased over 10% in 1970. At the end of 1970 the government adopted restrictive measures including a wage and price freeze, a cut in consumer credit and the introduction of a 50% import deposit scheme. This was followed in January 1971 by devaluation of the dinar to a new rate of 15 dinars to the U.S. dollar compared with the rate of 12.5 dinars to the dollar in force since 1965.

Despite difficulties arising from wage and price increases, unemployment and increasing trade deficits, the Yugoslav economy is achieving a satisfactory rate of expansion. The forecast growth for 1971 at 5½% is similar to last year's achievement but a higher rate is anticipated for the remaining period of the Five Year Plan 1971-1975.

A major objective of the constitutional changes, approved by the Yugoslav assembly in June 1971, is a further substantial increase in the share of economic decision-making by each of the six republics. Major policy issues - relating in the first instance to investment allocation - to a large extent will cease to be federal responsibilities. Only defence, federal administration and what remains of the special fund for aid to the under-developed republics will be centrally financed.

Prior to World War II Yugoslavia was primarily an agricultural-based economy. Since then investment in industry has produced a strong industrial sector. Agriculture, including forestry and fishing now accounts for 23% of the G.N.P. compared to nearly 50% prior to the war, while industry, including mining and manufacturing, accounts for 35%. Industrial production increased by 9% in 1970.

Different areas of the economy and industry have been developed over the years according to the emphasis laid down by the various development plans. Post war investment was concentrated on the development of the industrial and manufacturing industries to the detriment of the agricultural sector and the infrastructural requirements of the country. These latter sectors are now being given priority along with tourism which has become one of the major earners of foreign exchange.

Lacking the capital necessary for its economic development Yugoslavia resorted to loans for capital investment needs. The World Bank in particular has aided with loans and during the past 6 years it has loaned over \$400 million to Yugoslavia. This organization is planning to double its loans to Yugoslavia during the next five years. A total of over \$1,300 millions in foreign loans has been invested in the Yugoslav economy during the past five years from Eastern and Western countries.

In 1967 Yugoslavia began to actively seek foreign investment through joint ventures. However, results have not been as great as anticipated and to date 30 such contracts have brought in only about \$66 million. The foreign investment regulations are now being reviewed and modified.

Yugoslavia's foreign trade has developed significantly during the past twenty-five years but she continues to have a chronic visible trade deficit which reached a record high of \$1.2 billion in 1970. In 1970 Yugoslav exports amounted to \$1.8 billion while her imports were valued at \$3.0 billion. Yugoslav trade is becoming more oriented to the Western countries, in particular the E.E.C. with whom she concluded a three-year, non-preferential, non-discriminating trade agreement in 1970. In 1970 the E.E.C.* countries supplied 40% of total Yugoslav imports and purchased 35% of total Yugoslav exports. E.F.T.A.** countries accounted for 18% of imports and 14% of exports. The large trade deficit with western countries remains of constant concern to Yugoslavia. Canada accounts for less than 1% of Yugoslavia's foreign trade.

Yugoslav's trade deficit is covered to a great extent by earnings from invisible trade such as tourism which in 1970 amounted to some \$325 million, as well as by remittances from Yugoslav workers abroad and Yugoslav engineering projects abroad.

The principal objective of Yugoslav economic policy continues to be industrial growth.

*E.E.C. - Belgium, Luxembourg, France, Italy, West Germany, NETHERLANDS

**E.F.T.A. - Britain, Austria, Norway, Sweden, Portugal, Denmark and Switzerland

The government's Five Year Plan for 1971-1975 seeks to raise the standard of living, to reduce severe regional disparities in levels of development and to improve in general the efficiency of the economy. This latter goal could be achieved, according to Yugoslav sources, to a great extent through the decentralization measures and through meeting the competition on international markets. The Plan also states the intention of raising per capita income from \$600 to \$1,000 by 1975. This would be dependent on an annual expansion of 8% of the real Social Product, much larger than the 5% of the last five years. This growth would result mainly from an increased productivity of 5% per annum and the rest from an increase in the labour force - 2.5% or 3% per year.

The expansion and investment planned for nearly all sectors of the Yugoslav economy during the next five years offer many opportunities for Canadian businessmen.

GENERAL INFORMATION

1. Geography and Climate

Yugoslavia is located in the central and northwestern parts of the Balkan peninsula with the northwestern parts entering into Central Europe. It is bordered by Austria and Hungary in the north, Italy in the north-west, Rumania and Bulgaria in the east and Greece and Albania in the south. The western boundary stretching 1,238 miles is bounded by the Adriatic Sea and has an archipelago of many islands. The Adriatic Sea is Yugoslavia's important link with the world.

Yugoslavia occupies an area of 98,766 square miles and can be divided into two distinct topographical regions: highlands and mountains in the northwest and south and southwest which make up 71% of the country and fertile plains and lowlands in the north and northeastern parts which make up 29%.

Some 59% of the total area is used for agricultural purposes, 34% is forested and 7% is barren.

Yugoslav rivers belong to three major watersheds: Adriatic (21%), Aegean (9.5%) and Black Sea (69%). The only important waterway crossing Yugoslavia is the Danube. Other rivers in Yugoslavia are the Tisa, Drava and Kupa.

The country has three distinct climatic conditions: mediterranean, alpine and moderate. Mild winters and warm summers prevail along the Adriatic coastal strip, long cold winters and short cool summers are found in the mountain regions and Alps, and the moderate central European climate with cold winters and hot summers prevails in most other parts of the country. Rain-fall averages between 26 and 40 inches a year.

2. Human Resources

The population of Yugoslavia in 1970 was 20.5 million people and it is estimated that it will increase to 21.7 million by 1975.

The major metropolitan cities are Belgrade, the capital, with a population of 750,000, Zagreb (540,000), Sarajevo (240,000), Skopje (245,000) and Ljubljana (190,000). The trend has been to move from rural to urban areas and this is continuing.

Yugoslavia's population is characterized by a large ethnic and religious diversity. It is composed mainly of five major nationalities: the Serbs, Croats, Slovenes, Montenegrins and Macedonians. The Serbs and the Croats account for the largest proportion and a major national problem has been the long-standing dissention between these two nations. There are also

a number of national minorities including Albanians, Hungarians, Turks, Slovaks, Italians and Germans.

Yugoslavia has three closely related languages. Slovenia and Macedonia each have their own language but they belong to the same broad Slav group as Serbian and Croatian which are the languages of the remainder of the country. German and French are also widely understood and English, now commonly taught in schools, is spreading rapidly.

School attendance is compulsory from seven to fifteen years of age. There are many general and specialized secondary schools, technical training schools and adult education centers. Universities are located at Belgrade, Zagreb, Ljubljana, Sarajevo, Skopje and Novi Sad. Education is free at all levels.

42% of the population belongs to the Serbian or Macedonian Orthodox Church. The next largest religious group, 32% is Roman Catholic and 13% of the people are Moslem.

The standard of living in Yugoslavia has improved steadily during the past decade but it still lags behind that of the leading countries of Western Europe, although it is high among its Balkan neighbours.

Prior to the Second World War 75% of the population lived by agriculture but to-day only about one-half of the population is engaged in this activity.

Regular employment figures are available only for the socialized sector of the economy covering industry and services but excluding most of agriculture. The figures in the table below cover about one-third of the active population. Manufacturing accounts for the largest proportion employing about 38%.

Distribution of Employment by Sectors, 1967-69
(thousand persons)

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Manufacturing	1,352	1,348	1,399
Agriculture	276	255	250
Forestry	69	66	69
Construction	312	322	336
Transport	249	254	260
Trade and Catering	366	379	408
Arts and Crafts	237	241	246
Public Utility	111	118	108
Non-Economic Activities	589	601	626
Total Employment	<u>3,561</u>	<u>3,584</u>	<u>3,702</u>
Persons Seeking Employment	<u>269</u>	<u>311</u>	<u>335</u>

Source: Statistical Pocket Book of Yugoslavia

Unemployment increased steadily from 5.6% in 1964 to 8.2% in 1969, then dropped to 7.6% in 1970. The unemployment situation has been eased to some extent by the growth of the number of Yugoslavs employed as "guest workers" in Western countries. It is estimated some 500,000 are thus employed of which over 50% are in West Germany. Though the remittances of these workers are an important contribution to the Yugoslav balance-of-payments the loss of skilled man-power is considered grave as many of these workers decide to remain abroad.

3. Constitution and Government

There are four levels of government in the Federal State of Yugoslavia: Federal, Republic, District and Commune. A single party- President Tito's Communist Party - controls the government. All economic decisions are made by the Federal and Commune governments, though the main political power lies in the hands of the Federal government.

The new constitution, promulgated in April 1963, reaffirmed the socialist character of the Yugoslav nation, including public ownership of the means of all production except small handicraft and small farm holdings.

In 1966, the Politburo was abolished and replaced by the Presidium and the Executive Committee. The Head of State is the President of the Republic, elected by the Federal Assembly. The latter is composed of 670 deputies and divided into five chambers. The current Head of State is Marshall Josip Broz Tito, life president of the State.

Proposed amendments to the Constitution to provide for the government of the country upon the death or retirement of President Tito, were approved by the Yugoslav Federal Assembly in June 1971. By these Amendments, the republics and territories are given predominant rights in decision making on principal socio-economic matters. Thus further decentralization on the governing of the state's affairs has taken place.

Besides the existing Federal Assembly and Federal Executive Council, a Presidency consisting of representatives of the six Yugoslav republics and two autonomous provinces has been established.

STRUCTURE OF THE ECONOMY

1. General

The Yugoslavia economic system, a mixture of public ownership, state control and self-management, is in the process of changing into a market economy. The principal objective in Yugoslav economic policy has been and still is industrial development. Emphasis is expected to be placed on developing export-oriented, hard currency earning industries.

National accounts are computed according to socialist methods. Social Product equals national income plus depreciation and is roughly equivalent to the Western concept of Gross National Product. National income represents the value of goods and productive services, including services such as transportation and communications contributing directly to material production, but excludes public administration, defence and personal and professional services.

Trend of Social Product

<u>*Total: bn dinars</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
At current prices	61.0	79.5	99.0	103.3	112.2
At constant (1960) prices	40.2	41.5	45.0	45.8	-
Real increase (%)	12.9	3.2	8.1	1.8	-
<u>Per head: bn dinars</u>					
At current prices	3.16	4.12	4.95	5.17	5.55
At constant (1960) prices	2.09	2.13	2.28	2.30	-
Real increase (%)	11.8	1.9	7.0	0.9	-

Source: Statistical Yearbook of Yugoslavia

Industrial Origin and Expenditure of Social Product 1965

<u>Industrial origin</u>	<u>bn dinar</u>	<u>% of total</u>	<u>Expenditure</u>	<u>bn dinar</u>	<u>% of total</u>
Agriculture & forestry	27.5	26.5	Consumption	68.0	65.5
Industry	35.5	34.2	Gross fixed investment	30.6	29.5
Construction	8.3	8.0	Stock changes		
Transport	8.6	8.3	& statistical discrepancy	6.5	6.3
Trade & catering	17.6	17.0	Net exports of goods & services	-1.4	-1.3
Handicrafts & others	6.2	6.0	Total	<u>103.7</u>	<u>100.0</u>
Total	<u>103.7</u>	<u>100.0</u>			

*bn dinars = billion dinars

Before World War II Yugoslavia was primarily an agricultural based economy but since then there has been rapid development of industry. Industrial production grew by 9% during 1970 while agricultural output declined by 7%. Agriculture remains a significant part of the economy employing nearly half the working population but its contribution to the G.N.P. has declined from 49% in the prewar period to 23%. Major crops are wheat, corn and fruits. Livestock is also an important sector and a major contributor to exports. Mining and manufacturing account for 35% of the G.N.P. with the most important industries being metalworking, textiles, chemicals and food processing. Industrial exports account for 84% of total Yugoslav exports. Sales of manufactured goods rose by 16% during 1970.

Within the six republics there is great disparity of income and standard of living. One of the aims of the present Five Year Plan is to even out these disparities.

2. Agriculture, Fishing and Forestry

Yugoslavia is traditionally an agrarian country and agriculture is still of primary importance to the economy although its relative position has been declining. Of the 35,000,000 acres of agricultural area about 24,000,000 are under cultivation.

Prior to World War II Yugoslavia produced sufficient food for both domestic consumption and to permit substantial exports. Since the war Yugoslavia has been dependent on food imports, but agriculture still holds an important place in foreign trade as exports continue to exceed imports.

Yugoslav agriculture during the past ten years has increased output at an average rate of 3% per annum. The Republic of Serbia produces about 68% of the total output of agriculture and products of the food industry.

Characteristic of Yugoslav agriculture and a longstanding problem is the dominance of small farms. About 87% of the total farm area is in small private holdings limited to about 25 acres. The average private farmer owns about 14 acres scattered in several plots. However, in the socialized sector, some farms are enormous, even by Western standards. It is estimated that there is a total of 2,155 socialized farms employing about 250,000 workers and 2,643,000 individual private farms.

In order to encourage farmers, agricultural product prices were raised sharply in 1965 and a reform policy was begun in

1968 with emphasis on a freer market in agriculture produce, an extension of local responsibility for management to the farming sector and a new status for the peasant.

Individual farms are being encouraged to form co-operatives and the socialized sector is buying more land from the peasants. These co-operatives will enjoy the same favourable credit rates and tax exemptions as the socialist sector.

The major crops of Yugoslavia are maize, and wheat. Important oil-bearing crops include sunflower, olives, linseed and rape-seed. Major industrial crops are hemp, flax, cotton, sugar beets, tobacco, hops and potatoes. Yugoslavia is also well-known for its grapes and fruit - especially plums, apples, cherries, pears and peaches.

The table below shows the quantities of main agricultural production in 1968-1969.

<u>Crop Production 1968-1969</u>		
<u>Thousand Tons</u>		
	<u>1968</u>	<u>1969</u>
Wheat	4,360	4,880
Rye	138	135
Maize	6,810	7,794
Hemp	73	85
Tobacco	44	42
Sugar beet	2,910	3,711
Potatoes	2,890	3,055
Plums	721	1,296
Apples	304	396
Grapes	1,270	1,493

Source: Quarterly Economic Review 1970 - Annual Review

The last few years has seen renewed emphasis on agricultural production and increased investment in equipment, seeds and fertilizers.

In 1969 there were 43.5 thousand tractors in use in Yugoslavia.

The country is well suited for livestock production and Yugoslavia exports large amounts of beef and pork products, as well as canned meats, mutton and lamb and live horses. Presently Yugoslavia is importing breeding stocks.

The following table shows Yugoslavia's livestock population in 1970 compared with 1964.

Livestock Numbers
('000 head on January 15)

	<u>1964</u>	<u>1970</u>
Horses	1,143	1,076
Cattle	5,106	5,029
Sheep	9,266	8,974
Pigs	5,310	5,544
Poultry	30,856	40,854

Source: Quarterly Economic Review, Annual Supplement 1970

Yugoslavia has achieved a special reputation for "baby beef" because of its exceptional quality over established Western European standards. In May 1970, Yugoslavia negotiated a three year pact with the E.E.C. The non-preferential agreement reducing import levies on certain quantities of "baby beef" is expected to help Yugoslavia's balance-of-trade payments in the livestock industry.

The main direction of Yugoslavia's agricultural exports is the large Western European market.

With its long coastline and many coves and inlets, Yugoslavia has a sizeable fishing industry. The salt water catch consists mainly of sardines, sprats, anchovies and mackerel. The fresh water catch consists mainly of carp.

The following table shows the fishing catch for the years 1968 and 1969.

	<u>Fishing</u> <u>Tons</u>	
	<u>1968</u>	<u>1969</u>
Freshwater Fish	15,007	16,960
Seafish	29,958	27,100
Shellfish	964	998

Source: Europa Yearbook 1971

Of the 34,000,000 acres of forest in Yugoslavia 26,400,000 are used for the production of timber. About 60% of the standing timber consists of deciduous trees, mostly beech and oak. These forestry products are used in the furniture industry, as well as for cellulose, pulp, paper and tanning ingredients.

Forestry

Growing Stock
('000 cubic metres)

Socially-owned Forests	734,420
Privately-owned Forests	249,058
Total	<u>983,478</u>

Industrial Cutting
('000 cubic metres)

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Round Wood	6,231	6,063	6,371
Hewn and Split Timber	61	48	47
Stacked Timber	4,456	4,838	4,468
Total	<u>10,748</u>	<u>10,949</u>	<u>10,886</u>

Source: Europa Yearbook 1971

3. Industry

When considering Socialist countries as a whole Yugoslavia's industrial institutions are unique in that they operate under the system of self-management. Each enterprise, in the socialized sector, has a Workers' Council elected by all the members and a Board of Directors to run the enterprise. The means of production are nationalized in all industries except small handicraft who are not permitted to employ more than five workers.

Yugoslavia has achieved a substantial level of industrialization. Branches of industrial activity which barely existed before the war have developed into major industries. One of the characteristics of this industrialization has been the development of the range of products.

The index of manufacturing production for the past five years is as follows.

<u>1963</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
100	134	134	142	159	174

Source: United Nations Monthly Bulletin

The following table showing production of specific products for selected years 1952-1969 illustrates the growth in Yugoslavian industry.

	<u>Output of the Most Important Industrial Products</u>			
	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Electricity, 000 million kWh	2.70	8.93	14.19	22.95
Coal, million tons	12.1	22.7	29.5	26.5
Crude oil, million tons	0.15	0.9	1.8	2.7
Electrolytic copper, copper, 000 tons	21.4	35.1	51.9	82.0
Refined lead, 000 tons	67	89	101	107
Steel, million tons	0.4	1.4	1.7	2.2
Cement, million tons	1.3	2.4	3.0	3.8
Sulphuric acid, 000 tons	36	130	472	696
Electric cables, 000 tons	3	56	80	90
Sawn wood, million m ³	2.04	2.29	2.69	3.04
Cellulose, 000 tons	34	155	242	370
Cotton yarn, 000 tons	26	50	86	96
Sugar, 000 tons	58	264	313	473

Source: Twenty-five years of the Yugoslav Economy.

Development of specific industrial activities has varied at different times during the post war period according to the programmes laid down by the different economic plans.

Prior to 1967 Yugoslavia invested in industry through loans to make up for the shortage of its own capital. However, this amount was limited and inadequate to fulfill Yugoslavia's capital requirements. Since 1967 foreign investment has been actively sought by Yugoslavia and it is hoping to improve industrial efficiency and international competitiveness through co-operation with the West by way of technical partnerships, joint ventures and direct investment.

The concentration of industrial activity is primarily in the north of Yugoslavia. Major industrial cities are Zagreb, Belgrade, Ljubljana, Sarajevo, Maribor and Nis.

Although the number of enterprises in Yugoslavia is small relative to highly developed countries, the average size is considerable and the number of smaller enterprises is decreasing. During the period 1965-1968 an intensive integration process occurred when 230 or 9% of industrial enterprises merged or consolidated.

The Development Plan 1971-1975 envisages a real increase of industrial output could average 9-9.5% annually over the next five years.

The Metal Industries

The metal industries prior to World War II was composed of a number of small scale, craft-type enterprises. Large investments have developed this industry into one of Yugoslavia's major industries. Many new plants have been constructed and today this industry employs 250,000 persons, compared to 18,000 in 1939 and accounts for nearly 20% of total industrial production. Originally production was oriented towards the domestic market, but nowadays the products of this industry are exported to a large number of countries.

Special emphasis has been placed on increasing the machine building sector, determined by the country's rapid industrialization and general economic development.

The following table shows the production of the machine building industry by the more important group of products.

Production of Important Products of the Machine Building Industry for Selected Years 1952-1969

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
		(1,000 tons)		
Wood and metal working machines	2.0	4.5	9.0	9.9
Other industrial machines and plant	18.0	38.0	58.3	60.2
Goods wagons, number	210	3,422	3,480	2,684 (1968)
Farm machinery	6.8	24.9	26.6	25.4
Tractors, number	789	7,309	9,423	10,818
Constructional machines and equipment	1.0	6.9	12.9	23.4
Iron and sheet metal structures	25.0	64.1	103.3	165.3

Source: Twenty-five Years of the Yugoslav Economy

The manufacture of road motor vehicles, a relatively young branch of the metals industry has gained momentum during the past decade. Ten years ago commercial vehicles and motorcycles were the dominant production while today there is an increasing production of automobiles.

Fiat, in partnership with Crvena Zastava of Kragujevac in Serbia, was the first to begin producing private cars, the 750 model Fiat. It was almost the only car available in Yugoslavia for many years.

In 1970, an ambitious programme for auto manufacturing was announced: between 1970 and 1973 an estimated \$100 million of investment is planned, 25% of which is to be contributed by foreign sources. The World Bank is providing about \$30 million in credit for suppliers of equipment for the new programme. An output of 150,000 vehicles, including commercial vehicles, is anticipated by 1973 with the long term objective being over half a million vehicles per year. The standard Yugoslav national car has an engine of 1200 to 1300 c.c. In order to produce this car, modern technology is being sought in many countries.

Volkswagen Werke has signed a 10 year contract with UNIS in Sarajevo, for production of the Volkswagen, N.S.U. and AUDI cars and parts in Yugoslavia, thus challenging the position of Fiat. Vehicles produced will be sold in and outside of Yugoslavia. British Leyland has also started a small venture with I.M.V. of Novo Mesto in Slovenia to assemble Austin cars. Commercial vehicles up to the capacity of two tons are being produced by Crvena Zastava. Heavy commercial vehicles up to six tons or more are produced by FAP-FAMOS in Belgrade in a joint venture with West Germany's Daimler-Benz.

Yugoslavia's emerging motor vehicle industry has proved a profitable and reliable market for joint ventures. Opportunities are still excellent as the country requires advanced technical knowledge and expertise.

Motor Vehicle Production in Yugoslavia 1966-1970
'000

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Passenger Cars	31.8	35.6	43.9	51.4	62.5
Commercial Vehicles	13.3	13.8	14.4	15.3	17.2

Source: United Nations Monthly Bulletin

Products of the metal processing establishments are extremely diversified and production has expanded along with the rise in the standard of living. This industry covers production of forgings, pipes, packaging materials, screws and a large range of consumer goods. Shown in the table below is the production of some items of this industry.

Production of Selected Items in the Metal
Processing Industries
(Thousand tons)

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Iron castings	55	192	279	306
Cast-iron pipes and moulds	2.7	47.0	61.4	65.7
Nails	15.4	41.4	49.4	35.4
Screws and rivets	8.9	21.7	28.4	34.2
Metal containers	5.8	38.1	72.9	85.7
Metal kitchenware	5.5	10.8	14.4	18.7
Metal furniture	3.9	13.4	19.6	22.0
Washing machines, 000	-	9.5	28.9	181.7
Sewing machines, 000	-	35.5	82.9	107.9

Source: Twenty-five years of the Yugoslav Economy.

According to estimates, the metal industry as a whole could expand production by 9-11% annually on the average during 1971-1975, due to the available plant capacity and the expected rise in consumption of automobiles, power plants and different machine equipment intended to improve determined production groups.

Shipbuilding

The Yugoslav shipbuilding industry continues the steady expansion started during the post-war period. It now has an output of 500,000 G.R.T. with the capability to build a ship of 90,000 T.D.W. Capacity is to be increased to one million tons annually by 1975.

Altogether there are eighteen shipbuilding establishments in Yugoslavia with the major shipyards located along the Adriatic coast. The majority belong to the Jadranbrod, headquartered in Zagreb. The range of products is very diversified and includes tankers, tramps, passenger, refrigerator and pleasure boats. The three largest yards also produce marine engines.

Yugoslav shipbuilding is highly regarded among the world's shipbuilding countries. In spite of heavy international competition Yugoslav shipyards are well endowed with orders and are practically booked up to 1973. In 1961, 53% of production was exported and in 1970 exports had increased to 90% of production. Total value of exports in 1970 was \$152 million.

Food Processing Industry

The prewar food industry was relatively well developed especially with regard to breweries, flour mills, sugar factories and candy and chocolate factories. During the past few years many new products have been introduced.

In 1970 total production was 11.4% higher than in 1969. Modernization and reconstruction were the greatest influence behind this favourable trend.

There are about 218 highly specialized enterprises in the food processing industry employing about 112,500 people, established throughout the country. About one-third of those employed belong to small enterprises. Large enterprises of over 1,000 employees make up 10%. A decade ago of 463 enterprises only 2% had over 1,000 employees.

Slaughter-houses and meat processing plants are concentrated in the north and northeastern plains, but recently new abattoirs have developed along the Adriatic coast.

The following table gives production figures for the more important products of the food processing industries for selected years 1952-1969.

Production of Selected Items of the Food
Processing Industries
(thousand tons)

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Pastes	23.9	41.1	48.0	47.6
Starch	9.4	39.8	37.3	36.9
Sugar	57.6	264.3	321.4	473.0
Edible oil	19.1	51.5	105.6	132.2
Cured meat & sausages	7.8	21.8	37.9	62.5
Canned meat	1.8	32.7	53.2	48.2
Canned fish	3.9	16.5	30.4	19.3
Canned vegetables	2.1	20.2	35.9	58.5
Cocoa-based products, candies and other sweetmeats	8.6	31.0	50.0	56.3
Beer, 000 hl.	922.0	1,630.0	2,668.0	5,342.0

Source: Twenty-Five Years of the Yugoslav Economy

Although the capacity of the food industry is expanding steadily, only about 15% of Yugoslavia's agricultural products are used by the industry as raw materials and processed locally.

Exports of this industry play a significant part of the country's foreign trade. In 1970, exports amounted to \$100 million while imports were \$106 million. Canned meat is an especially important item.

With the emphasis being placed on the development of agricultural production, the increase production of the food industry is expected to be at least 5.5-6.5% annually during the next five years.

The food processing industry is an important recipient of the outputs of other industries particularly chemicals, paper, metal products and wood products. It also makes substantial use of transport services and energy supplies.

Textiles

Yugoslavia's textile industry is an important contributor to the national income. Since 1967 particular attention has been devoted to further development of production and range of articles. However, despite impressive gains, the industry is still backward compared to advanced Western European countries. The over-riding concerns in the industry are efficiency, technical sophistication and stylistic improvements.

The industry has approximately 344 enterprises employing about 224,000 people. One-third employ about 250 people, and a significant concentration of employees is found in some fifty large enterprises.

Yugoslavia has an abundant supply of hemp, but the major part of the raw materials (75%) used by the industry must be imported.

In keeping with the world trend Yugoslavia is now producing synthetic and artificial fibres. However the cotton industry remains the most important sector of textiles both domestically and for export. Over the next five years the cotton industry plans to introduce 320,000 new spindles and 8,000 up-to-date automatic looms. Hemp, natural silk and wool are also important products. The wool industry is mostly for domestic use. Clothes make up 72.5% of all textile exports.

In 1970, textile exports amounted to \$176 million with 70% going to Western countries and 24% to Eastern Europe.

Under the 1971-1975 development plan the textile industry is expected to increase 5.5-6% through further modernization, fuller utilization and emphasis on finished products.

Production of the more Important Groups of Articles in the Textile Industry

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Cotton yarn, 000 tons	25.9	50.6	82.0	96.0
Woollen yarn, 000 tons	10.3	20.6	24.4	33.9
Cotton cloth, million m ²	111.9	256.7	375.0	415.3
Woollen cloth, million m ²	20.0	45.6	52.2	49.3
Hemp cloth, million m ²	5.3	9.1	12.3	10.0
Confection of underwear, mill.m ²	15.7	26.7	48.3	78.7
Confection of outerwear, mill.m ²	9.0	17.5	33.7	49.4
Knitwear, 000 tons	2.5	8.6	11.8	14.8

Source: Twenty-five years of the Yugoslav Economy

Chemicals

The chemicals industry has had high priority in Yugoslavia's industrial development and has become one of the fastest growing and most prosperous sectors of Yugoslavia's economy. Yugoslavia has a good base of raw materials for this industry.

The most important products are pharmaceutical accounting for about 15% of total production. Other important products are synthetic materials and fibres and basic chemicals.

In spite of this industry's rapid growth certain chemicals continue to be imported, notably sulphuric acid, fertilizers and plastics. Imports are about three times the value of exports. Imports in 1970 amounted to \$325 million, while exports were valued at \$100 million. Important exports are calcium carbide, caustic soda and photo chemicals. In recent years exports have been characterized by an increase in finished products.

The number of establishments in the chemical industries is about 146 employing approximately 80,000 people.

Future investments are expected to concentrate on developing a modern petrochemical industry. The Consortium of Petrochemicals Enterprises (I.N.A. of Zagreb, O.K.I. of Zagreb and Jugovinil of Split) have drawn up a development plan for the petrochemical industry up to 1975. Factories planned include a plant for annual production of 300,000 tons of ethylene upon which basis the production of 150,000 tons of polyethelene is planned per year. Present production is 20,000 tons.

Investment amounting to \$264 million (\$130 million for imported equipment) is planned at Rijeka.

Output of Selected Products of the Chemical Industries (Thousand tons)

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Sulphuric acid	36.4	130.1	472.3	695.7
Nitric acid	-	9.3	218.0	488.4
Calcium carbide	39.7	72.9	91.3	132.4
Caustic soda	20.4	48.4	76.1	83.7
Soda	33.0	89.0	92.5	108.8
Mineral fertilizers	68.0	267.0	1,409.0	1,604.0
Polyvinyl chloride	2.0	7.5	8.3	18.8
Artificial fibres	-	21.3	22.0	38.6
Oil paints, varnishes and enamels	8.9	20.7	44.3	69.9
Detergents 15% AS	-	18.5	38.1	88.7
Plastic footwear, 000 pairs	-	1,242.0	1,152.0	6,936.0

Source: Twenty-five Years of the Yugoslav Economy

Iron and Steel

Yugoslavia has abundant reserves of iron ore for continuing development of its iron and steel industries. Since 1964 a programme of reconstruction and development of iron works has been implemented to ensure more rationalized and economic production.

The iron and steel industries employ about 51,000 persons. Production of numerous new items has been introduced during the past few years including high-grade steel, seamless tubes, rails and accessories and pneumatic tools. Many of these items are made for export.

Although iron and steel exports are increasing and in 1970 amounted to \$52 million, imports still far exceed exports. Imports in 1970 amounted to \$259 million.

It is estimated Yugoslav annual consumption of iron and steel should reach 5-5.7 million tons in 1975. Existing plants and those under construction should have an aggregate production of 4.5-5 million tons then. Future investments will be directed to maximizing different phases of production of raw materials and processing. The output of rolled products in particular is expected to increase.

Major iron and steel plants are located in Skopje, Smederevo, Zenica and Jesenice.

The following table shows production of major items of the iron and steel industry for selected years.

	<u>1960</u>	<u>1964</u> '000 tons	<u>1969</u>
Pig iron	1,442	1,675	2,220
Pig steel	972	1,200	1,570
Rolled products	74.2	106	157
Drawn and forged products	27.1	31.2	27.6

Source: Twenty-five Years of the Yugoslav Economy

Woodworking Industries

Yugoslavia has extensive forest areas and woods and the production and exports of the woodworking industries form an important part of Yugoslav industry. Production output of this industry increased about 5% in 1970.

Post war orientation has been towards building up the woodworking industries and many plants have been built for the manufacture of plywood, blockwood, fibreboard and furniture.

The woodworking industry comprises a number of smaller-scale enterprises. Of 260 enterprises employing about 124,000 people, 120 employ between 60 and 250 people.

Semi-finished products of this industry have shown the least growth during recent years while there have been significant increases in manufactured goods such as veneers, plywoods and furniture.

Exports have increased since 1957 due to the export of semi-finished and finished products. The U.S., the U.K. and West Germany take about 70% of the furniture and finished products exported. Imports too are increasing. In 1970 exports of this industry were valued at \$137 million and imports \$47 million.

Under the 1971-1975 Plan annual production is expected to rise 6.5%-7.5% and exports are expected to increase.

Output of Selected Items of the Wood Working Industries

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Sawn wood, 000 m ³	2,112	2,321	2,720	3,043
Veneers, 000 m ³	6.2	45.9	110.3	191.5
Plywood and blockboard, 000 m ³	21.6	102.1	145.2	155.4
Fibreboard, 000 m ²	0.7	9.3	20.4	16.0
Particle board, 000 m ³	-	9.2	119.6	166.2
Parquets, 000 m ³	14.9	67.8	78.4	74.4
Furniture, 000 suites	49.9	152.1	376.0	340.4
Bentwood furniture, 000 units	-	1,199.0	1,330.0	938.0

Source: Twenty-five Years of the Yugoslav Economy

The paper industry has also grown since World War II and the range of products greatly increased. Pulp production has risen from approximately 40,000 tons annually before the war to about ten times this amount in 1970.

Output of this industry is expected to double during the next five years as the improved standard of living provides an increase in consumption of paper products.

Production of Major Paper Products for Selected
Years 1952-1969
(Thousand tons)

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Chemical pulp	34.2	154.7	264.0	370.5
Mechanical pulp	15.0	56.7	84.8	104.6
Writing & printing paper	20.1	46.9	110.7	157.8
Rotary newsprint paper	-	28.5	45.8	69.0
Kraft paper	3.8	30.6	47.3	106.9
Paperboard	12.9	37.2	72.3	102.5

Source: Twenty-five Years of the Yugoslav Economy

Electrical Engineering

The expansion of the production of electrical equipment in Yugoslavia in post-war years has been impressive and the industry's development has been characterized by a constant increase of the range of products. Items produced include generators, power cables, telecommunication and signalling equipment, measuring instruments and the production of more durable consumer goods such as radios, televisions, and household appliances.

The industry has 80 enterprises employing 87,200 people and accounts for 5.6% of total production of manufacturing industries.

Although imports still exceed exports, exports are important. 25% of production is exported to over 40 countries. In 1970 exports amounted to \$127 million and imports were valued at \$180 million.

The Yugoslav production of major electrical items is shown below.

Output of Electrical Products, Selected Years 1952-1969

	<u>1952</u>	<u>1960</u>	<u>1964</u>	<u>1969</u>
Rotary machines, MW	259	610	647	976
Transformers, MVA	413	2,082	2,706	5,045
Cables and conductors, tons	2,954	56,537	80,472	89,548
Radio sets, 000	27	244.1	527	281.7
Televisions, 000	-	13.8	263	333.6
Refrigerators, 000 hl.	-	33.7	184	523.5
Thermal apparatus, tons	209	7,246	22,918	38,627
Accumulators, tons	1,309	3,929	8,570	19,658
Telephones, 000	19.7	39.8	98.0	130.3
Lamps, millions	4.8	9.9	28.2	37.8

Source: Twenty-five years of the Yugoslav Economy

4. Mining

Yugoslavia is rich in mineral resources including coal, oil, natural gas and iron-ore. It also has important reserves of non-ferrous metals (especially aluminum, copper, lead and zinc) and a variety of non-metallic minerals.

Coal reserves are scattered throughout the country and consist of about 1% bituminous, 14% brown coal and 85% lignite. Domestic needs are not met by production as most of the quality falls below the minimum necessary for coking coal. Coal production has been declining and in 1970 output was 648,000 metric tons compared to 684,000 metric tons in 1969 and 840,000 metric tons in 1968.

Petroleum deposits are located in the Pannonian Basin and recently considerable reserves have been discovered on the Adriatic coast. In 1962 Yugoslavia's oil production met nearly all of her domestic requirements. Since then the demand for crude oil has expanded so rapidly that Yugoslavia is now dependent upon imports for more than half her internal demand. Imports increased from 2.7 million tons in 1968 to 3.2 million tons in 1969 to over 4 million tons in 1970. Production increased to 2.8 million metric tons in 1970 compared to 2.7 million tons in 1969 and 2.4 million tons in 1968.

Yugoslavia has large reserves of natural gas and in Vojvodina alone there are 22 gas fields with reserves of an estimated 40,000 million cubic metres.

Natural gas production and consumption in Yugoslavia is rapidly increasing. It is planned to increase gas deliveries to 2,000 cubic million metres by 1975. In 1970 natural gas output was 977 million cubic metres compared to 730 million cubic metres in 1969 and 584 million in 1968. Greater use of natural gas reserves is dependent upon the construction of a more extensive pipe-line network.

Iron ore deposits are located mainly in Bosnia-Hercegovina and in Macedonia. Production will have to be increased if Yugoslavia is to supply the rapidly growing capacity of its smelters. In 1970 production amounted to 3.6 million metric tons compared to 2.7 million tons in both 1969 and 1968.

Yugoslavia's exports of non-ferrous metals are one of the major sources of foreign exchange earnings. It is a significant exporter of lead, zinc and bauxite.

Copper remains one of the most important non-ferrous ores and mining and refining is concentrated in two mines located at Bor and Majdanpek in Serbia. The Majdanpek mine has an annual capacity of 10 million tons and the Bor mine 2.5 million tons. Both mines are expanding their present capacities. Copper

production has been increasing and in 1970 production was 91,000 metric tons compared to 81,000 and 70,000 in 1969 and 1968.

Recent discoveries have been made in the north-eastern regions. With these new deposits, Yugoslavia could become a major exporter of copper products.

Lead production is increasing. The large Inex-Trepca combine alone is planning to increase production from 87,500 tons in 1970 to 110,000 tons in 1975. Total Yugoslavian output of lead in 1970 was 125,000 metric tons while domestic consumption was around 40,000 tons.

Zinc production during 1968, 1969 and 1970 was 95,000 metric tons, 97,000 tons and 100,000 tons respectively.

Yugoslavia is paying particular attention to the development of its national aluminum industry in an attempt to stop its traditional pattern of exporting bauxite and importing aluminum.

Bauxite is mined chiefly on the Dalmatian coast and the Istrian Peninsula.

Yugoslavia's rich bauxite reserves have been supplemented by the recent discovery of a deposit estimated at around 30 million tons near Vlasenica. It is forecast that by the end of 1973 Yugoslavia could be producing 510,000 tons of alumina and over 200,000 tons of aluminum.

Other important ores in Yugoslavia are chromite, antimony and mercury. Among non-metals Yugoslavia has reserves of magnesite, limestone, pyrites, asbestos, gypsum and rock-salt.

Yugoslav Mineral Production 1968-1970
'000 metric tons

	<u>1968</u>	<u>1969</u>	<u>1970</u>
Coal	840	684	648
Petroleum	2,496	2,700	2,856
Iron ore	2,724	2,724	3,696
Lead	111	118	125
Zinc	95	97	100
Bauxite	2,076	2,124	2,100
Copper	70	81	91
Natural gas (million cubic metres)	584	730	977

Source: United Nations Monthly Bulletin

5. Finance

The Yugoslav currency is the dinar. In January 1971 in agreement with the International Monetary Fund the Yugoslav dinar was devalued to a new rate of 15 dinars to the U.S. dollar compared to the rate of 12.5 dinars to the U.S. dollar in force since 1965.

All banking was nationalized after the Second World War. The main bank is the National Bank of Yugoslavia.

The Yugoslav banking system was greatly changed in line with the reform five years ago. Previously, the Yugoslav Bank of Foreign Trade monopolized external dealings, the Yugoslav Investment Bank was in charge of all investments of Federal importance and the Yugoslav Agricultural Bank provided farm finance. Under the new banking regime, introduced on January 1, 1966 all banks received authorization to operate on a wider scale, often in competition with each other. They were given the right to engage in foreign trade and exchange dealings, including the acceptance of foreign currency deposits dealing in international markets including the Eurodollar market and other financial areas. The National Bank supervises all these activities and regulates the amount of foreign exchange each of the banks may hold. The role of Yugoslav banks is again currently being reviewed. 1970 was a year of mergers in Yugoslav banking and by the end of the year the number of banks was reduced to 30 banks from 65. In 1971, the two largest banks merged. Earlier five banks in the Yugoslav Republic of Bosnia and Hercegovina merged to become the second largest bank in the country.

Constitutional reform now under discussion, would provide that in addition to the National Bank of Yugoslavia, each of the Republics would have its own national bank whose main function would be to take care of their Republics' needs in the monetary and credit areas within the framework of a common Yugoslav monetary and credit policy.

6. Transportation and Communications

Yugoslavia has a railway network of 6,641 miles of which 5,703 miles are standard gauge. The emphasis has been on modernization and with assistance from the World Bank a programme of electrification and modernization of main lines is in progress. Many short branches have been closed as uneconomical. The Belgrade-Bar railway is being completed. The World Bank in 1968 contributed \$50 million to this project.

Although the railways share in traffic is declining, they still remain the largest carrier of freight in transit and as such are an important earner of foreign exchange. In freight traffic their share was 83% in 1960 and 67% in 1969, while in passenger traffic railways accounted for 78% in 1960 and 43% in 1969.

It is estimated freight traffic will amount to 86 million tons in 1973.

RAILWAYS

	1966	1967	1968	1969
Length of Track . . ('000 km.)	11.6	11.4	10.7	10.5
Normal Gauge . . { " " }	9.4	9.4	9.2	9.2
Narrow Gauge . . { " " }	2.1	1.9	1.5	1.3
Locomotives . . ('000)	2.2	2.1	2.0	1.9
Passenger Coaches . . { " }	3.9	3.8	3.7	3.7
Wagons { " }	71.2	68.6	64.6	63.3
Passengers . . . (million)	213.2	195.9	182.9	163.2
Passenger-kilometres ('000 million)	12.1	10.8	10.3	10.5
Goods Carried . . (million tons)	71.6	68.7	68.4	70.2
Ton-kilometres . . ('000 million)	17.5	16.3	16.4	17.7

Source: Europa Yearbook 1971

Roads are becoming of increasing importance in Yugoslavia not only for internal traffic but as an essential requirement for the development of tourism which is such an important earner of foreign exchange. In 1970 nine million foreign cars and 27,000 buses entered Yugoslavia in addition to five million cars in border traffic. More and more exports, especially perishable goods are hauled by trucks and in 1969 road haulage's share of freight traffic increased to 21% compared to 5% in 1960. Passenger traffic increased from 20% in 1960 to 53% in 1969. Yugoslavia now has more than 700,000 cars, 100,000 trucks and 120,000 motorcycles.

In 1968 the government co-ordinated plans for new highways in seven parts of the country. The World Bank financed several of these projects with a \$10 million loan. The completed Adriatic highway has helped accommodate the rapidly expanding tourist trade.

Yugoslavia's network of waterways, 1,162 miles long, is based on the Danube, Sava and Tisa rivers. Belgrade is a major port. The river fleet numbered 1,122 vessels in 1969 and handled 12.6 million tons of goods.

INLAND WATERWAYS.

FLEET

	1967	1968	1969
Passenger Vessels (number)	18	18	18
Tugs . . { " }	247	247	253
Motor Barges . . { " }	21	21	21
Tankers . . { " }	137	140	178
Barges . . { " }	629	632	652

Source: Europa Yearbook 1971

Yugoslavia's main sea-port, Rijeka, is currently being extended to a capacity of 30 million tons. Other major ports are Sibenik, Split, Pola and Kotor. New facilities are being built

at Kopar, Bar, Ploce and Split to handle increased traffic. In 1969 cargo handled, including coastal and transit amounted to 11.7 million tons. In 1970 the merchant fleet totaled 1.45 million g.r.t.

SHIPPING

	1967	1968	1969
Vessels Entered . (million net reg. tons)	24.3	25.1	27.2
Exports . . . (million tons)	3.4	3.3	3.2
Imports . . . { " " }	6.0	6.1	6.1
Domestic Traffic . . { " " }	2.7	2.7	2.4

Source: Europa Yearbook 1971

Yugoslavia has sixteen airports all of which are currently being modernized at a cost of \$112.5 million. The national airline, J.A.T., operates 76 routes and is the only airline maintaining scheduled services in the country and abroad. It is increasing its fleet with new jet planes.

Telephone and telegraph service is under the control of the Postal, Telegraph and Telephone Administration (P.T.T.). The P.T.T. has developed a five year program which will add 1,000,000 main telephone lines to the existing 400,000 and cost about \$480 million. The World Bank has contributed a \$40 million loan for this project.

In 1969 there were approximately 3.3 million radios and 1.5 million televisions in Yugoslavia.

7. Fuel and Energy

The development of Yugoslav fuel and energy consumption was due to the country's rapid industrialization, the increase in the volume of transportation and the improvement in the standard of living.

The largest source of energy in Yugoslavia is still coal and lignite, though petroleum and natural gas are increasing their share of the energy market. In electricity generation, hydro power is predominate. The annual rate of increase in the demand for electricity has been in the neighbourhood of 12%. Increasing utilization of water power, expansion of power generating capacity and the development of atomic power are planned. Yugoslavia's potential annual capacity of hyrdo-electric power is estimated at 66,500 million K.W.H.

In 1970 electricity production was 26,028 million K.W.H. compared to 22,944 million K.W.H. in 1969 and 20,640 million K.W.H. in 1968. Electricity is expected to increase its annual output to 46,000 K.W.H. in 1975.

The following table shows the trend and changes in energy consumption during the past 20 years.

Percentage of Total Energy Consumption 1950-1970

	<u>1950</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>
Coal	87.7	80.8	71.0	51.6
Crude oil	10.2	13.8	21.4	35.9
Hydro-electricity	1.9	4.9	5.5	7.1
Natural gas	0.2	0.5	2.1	5.4

Source: Twenty-five Years of the Yugoslav Economy

Domestic production is not enough to meet domestic consumption and the need for imports has increased. In 1950, 13% of energy requirements were imported and now approximately 50%. Imports of crude oil are particularly significant.

During the next five years coal consumption is expected to decline by 20% to be replaced by crude oil and natural gas.

A joint Rumanian-Yugoslav hydroelectric combine on the Danube is scheduled for completion in 1971.

8. Tourism

Tourism is now one of the major sources of foreign exchange in Yugoslavia and an important factor in the national economy. In the next 20-25 years investment of close to \$2 billion is planned for the construction of hotels, tourist centres, roads airports and harbors. The World Bank is considering financial assistance in the south Adriatic coast including a \$25 million resort complex in the Dubrovnik area. Also under consideration is a similar project near Budva, at an estimated cost of \$200 million.

The number of foreign visitors rose on an average by 18.7% annually between 1966 and 1970 while the earning from tourism increased by 30% each year. In 1970 about 4.7 million tourists visited Yugoslavia. Visitors to Yugoslavia spent some \$325 million while Yugoslav tourist expenditures abroad amounted to \$128 million.

The majority of visitors come from West Germany, followed by Austria, Italy, Great Britain, and Czechoslovakia. The number from Canada is increasing and in 1970 about 30,000 visitors came from here.

Approximately 90% of tourists enter the country by road.

Yugoslavia has signed reciprocal agreements on the abolition of visas with 34 countries so that now 80% of all tourists are exempt from visa formalities.

FOREIGN TRADE

1. General

Yugoslavia has trade ties with different parts of the world and is especially interested in promoting trade with the West. In 1970 it negotiated a Three Year, Non-Preferential, Non-Discriminating Trade Agreement with the E.E.C. This represents the E.E.C's first commercial treaty with a socialist country. Yugoslavia also has close ties with the COMECON group.

Yugoslavia's trade during the past decade has been marked by steady increases in both imports and exports. It has been characterized, however, by a chronic trade deficit since pre-war years. In 1970 an extraordinary expansion of imports resulted in a trade deficit, that was a record high for the postwar period. In 1968 the deficit was \$572.4 million, it increased to \$708.4 million in 1969 and then soared to \$1,280.7 million in 1970. This deficit is covered to some extent by the receipts from the increasing tourist trade and remittances from Yugoslav workers abroad.

The following table shows the trend of Yugoslav trade for selected years 1956-1970.

Yugoslav Trade for Selected Years 1956-1970

<u>Year</u>	<u>Exports</u> \$ million	<u>Imports</u> \$ million	<u>Balance</u> \$ million
1956	347.2	509.1	-161.9
1960	607.9	887.3	-279.4
1965	1,172.0	1,382.9	-210.9
1966	1,310.0	1,691.6	-381.6
1967	1,343.9	1,833.2	-489.3
1968	1,356.9	1,929.3	-572.4
1969	1,583.9	2,292.3	-708.4
1970	1,802.6	3,083.3	-1,280.7

Source: GLASNIK; Yugoslav Trade Almanac

Yugoslavia has a high degree of concentration of trade with the European countries and in 1970 these countries accounted for 81% of total Yugoslav imports and 83% of total exports. The Western European countries constitute a particularly significant market and in 1970 the E.E.C. countries supplied 40% of total Yugoslav imports and purchased 35% of total exports, while E.F.T.A. accounted for 18% of imports and 14% of exports. The trade deficit with these Western countries remains of constant concern to Yugoslavia. The decision by the E.E.C. in March 1971, giving preferences in favour of the developing countries, including Yugoslavia, comes into

force July 1, 1971. This will provide fresh incentive to expand Yugoslavia's exports to that area. Eastern Europe is Yugoslavia's second major trading area accounting for approximately 20% of Yugoslav imports and 32% of exports. Because of the system of bilateral trade, the problem of balancing trade with these countries is not equivalent to that of its Western trading partners.

North America, with the U.S. as the dominant partner, does not participate greatly in Yugoslavian trade, and accounted for only 6% of Yugoslav's exports and 6% of its imports in 1970. Canada accounted for less than 1% of Yugoslav exports and imports in 1970.

The number of countries Yugoslavia trades with has increased to 103 and foreign trade exerts a significant influence on the development of the entire Yugoslav economy.

The regional distribution of Yugoslav trade for the years 1968-1970 was as follows:

Regional Distribution of Yugoslav Trade 1968-1970

	<u>% of Total Exports</u>			<u>% of Total Imports</u>		
	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Europe	79.0	79.8	82.9	82.3	81.9	81.0
North America	7.3	6.6	5.7	5.2	4.5	6.2
Asia	7.9	7.0	6.3	5.9	6.6	6.1
Africa	4.2	3.9	3.6	2.7	3.4	2.7
Latin and South America	1.5	2.6	1.3	2.5	2.3	2.8
Oceania	0.1	0.2	0.2	1.4	1.3	1.2

Source: GLASNIK

2. Yugoslav Exports

In 1970 Yugoslavia exported goods valued at \$1,802.6 million, an increase of 14% over 1969.

Before World War II, the main Yugoslav exports were agricultural goods, timber and non-ferrous metals. Total exports have increased substantially since the 1950's, and now the majority, 85%, of Yugoslav exports are industrial products compared to under 50% in 1950. The branches of industry which have recorded the greatest export increases during the past twenty years are the metal manufacturers, textile, chemical and leather and footwear industries. Branches of industry showing a downward trend in exports are crop farming and the wood industry. In 1970, metal manufactures industry accounted for 12% of total exports and the non-ferrous metal industry 14%. The shipbuilding, textiles and food processing industries, accounted for

8%, 10%, and 6% respectively. The chemical industry accounted for 6% and the wood industry accounted for 8%.

Individual major exports are ships, furniture, products of copper and copper alloys, electrical and non-electrical machinery and equipment, transportation equipment, cables and wires, clothing and footwear and chemicals.

Major exports of agricultural products are meat, and meat preparations, fruit and vegetables, tobacco, hemp and wines. Since the Three Year Trade Agreement with the E.E.C., exports of meat, especially beef, are expected to rise sharply. Baby beef is exempt from the agricultural protectionism of the E.E.C. countries. Previously wheat was a major export but now it is imported.

A broad breakdown of Yugoslav exports by main categories is shown below.

Yugoslav Exports by Commodity Grouping 1969 and 1970
\$ millions

	<u>1969</u>	<u>1970</u>	<u>% of Total Exports 1970</u>
Food products	264.0	274.4	15.2
Beverages and tobacco	46.1	62.7	3.5
Raw materials, inedible exc.fuel	152.4	169.3	9.4
Mineral fuels and related materials	15.5	21.8	1.2
Animal and vegetable oils and fats	2.9	2.3	0.1
Chemicals	98.2	104.1	5.8
Manufactured goods by materials	462.7	527.7	29.4
Machinery and transport equipment	323.2	409.3	22.7
Miscellaneous manufactured goods	217.6	229.6	12.7
Other	0.8	1.2	-

Source: GLASNIK

Until recently, the Soviet Union was Yugoslavia's most important single customer. In 1969 and 1970 it was replaced by Italy. The table following shows by percentage exports to Yugoslavia's main trading partners during the past three years.

Yugoslavia's Main Customers 1968-1970
% of total exports

	<u>1968</u>	<u>1969</u>	<u>1970</u>
Italy	14.0	15.4	15.2
U.S.S.R.	16.4	14.0	14.3
West Germany	9.6	11.0	11.8
United Kingdom	4.8	5.8	5.7
United States	7.1	6.3	5.3
Czechoslovakia	4.3	4.3	5.3
France	2.3	3.3	3.8
Poland	2.9	3.2	3.3

Source: GLASNIK

3. Yugoslav Imports

In 1970 Yugoslavia imports were valued at \$3,083.3 million, an increase of 35% from 1969.

Post war industrial expansion and increase in consumption brought about substantial increases in imports of equipment, raw materials and consumer goods.

In 1970 industrial products accounted for 92% of total imports. Metal manufactures accounted for 31%, chemicals 10% and iron and steel 8% of total imports. Non-ferrous, textiles and oil imports account for 8%, 8% and 3% respectively. Important import items include iron and steel products, automobiles, chemical elements and components, fertilizers, coal, petroleum and products, metal processing machines, electrical and non-electrical machinery, building and mining machinery, textile machines, household appliances, textiles, precision instruments. Agricultural products accounted for 7.2% of Yugoslav imports in 1970.

The following table shows a breakdown of Yugoslav imports by main categories.

Yugoslav Imports by Commodity Grouping 1969 and 1970
\$ millions

	<u>1969</u>	<u>1970</u>	<u>% of Total Imports 1970</u>
Food products	151.8	215.4	7.0
Beverages and tobacco	6.4	6.9	0.2
Raw materials, inedible exc. fuel	283.7	336.6	10.9
Mineral fuels & related materials	111.2	148.4	4.8
Animal & vegetable oils & fats	7.7	20.9	0.7
Chemicals	239.1	286.4	9.3
Manufactured goods by materials	583.5	887.0	28.8
Machinery and transport equipment	776.9	1,024.6	33.2
Miscellaneous manufactured goods	131.8	156.6	5.1
Other	0.17	0.07	-

Source: GLASNIK

West Germany is Yugoslavia's largest supplier of imports, followed by Italy and the U.S.S.R.

The following table shows by percentage imports from the countries which were Yugoslavia's major suppliers during the past three years.

Yugoslavia's Main Suppliers 1968-1970

	% of Total Imports		
	<u>1968</u>	<u>1969</u>	<u>1970</u>
West Germany	17.8	18.2	19.7
Italy	14.9	14.8	13.2
U.S.S.R.	10.5	7.8	6.7
United Kingdom	4.9	5.6	6.2
United States	5.0	4.3	5.6
Czechoslovakia	5.7	5.6	5.3
Austria	4.6	4.8	5.3

Source: GLASNIK

CANADIAN TRADE WITH YUGOSLAVIA

Canada enjoys a "most favoured nation" exchange with Yugoslavia. However, they are not major trading partners and contribute only approximately 1% to each other's imports and exports.

In 1970, Canada exported goods valued at \$26.9 million to Yugoslavia, a substantial increase of 237% over 1969. Canada imported goods to the value of \$7.2 million, an increase of 29% over 1969.

During the past five years Canadian exports and imports to Yugoslavia both have increased and the balance of trade has been in Canada's favour, except in 1967.

Canada's Trade with Yugoslavia 1966-1970

<u>Year</u>	<u>Exports</u> \$ million	<u>Imports</u> \$ million	<u>Balance</u> \$ million
1966	3.6	2.6	+1.0
1967	3.4	3.7	-0.3
1968	6.5	4.7	+1.8
1969	8.0	5.6	+3.6
1970	26.9	7.2	+19.7

Source: Dominion Bureau of Statistics

During the first four months of 1971, Canada's export to Yugoslavia amounted to \$7.0 million compared to \$3.4 million in 1970, while Canada's imports from Yugoslavia amounted to \$2.2 million compared to \$1.5 million for the same period.

In 1969, the Canadian government granted a loan of \$100 million to Yugoslavia in order to make it possible for Yugoslavia to purchase Canadian machinery and equipment on "favourable terms". One-third of the loan was expected to be used for Yugoslav airport facilities and the rest was to be devoted to the purchase of Canadian-made Diesel engines for the Sarajevo railway and equipment for Yugoslav timber, pulp and paper and cellulose industries. Canadian importers were expected to purchase about \$25 million of Yugoslav goods in exchange.

In February 1971, negotiations were completed for Yugoslavia to import \$15 million of pulp and pulpwood from Canada. This will cover about 60% of Yugoslavia's requirements of raw materials for its pulp and paper industries in 1971.

Canadian Exports to Yugoslavia

The substantial increase in exports in 1970 to \$26.9 million may be accounted for by the new sales of locomotives valued at \$7.7 million and pulpwood at \$3.1 million which were not

exported previously, and by substantial increases in sales of woodpulp, aluminum, and copper refining shapes and bars.

Principal Canadian Exports to Yugoslavia

	<u>1968</u>	<u>1969</u> \$'000's	<u>1970</u>
Pulpwood	-	-	3,167
Copper scrap	2,432	1,993	1,796
Asbestos	1,411	990	1,094
Wood pulp	194	886	3,959
Aluminum pigs, ingots, shots, slabs etc.	302	600	3,256
Copper refinery shapes, bars, rods & shapes	1,356	847	3,666
Locomotives and tenders, engines & parts	-	-	7,775
% of Total Canadian Exports	87%	66%	92%

Source: Dominion Bureau of Statistics

Ontario Exports to Yugoslavia

In 1970 Ontario exported \$9.7 million worth of goods to Yugoslavia, an increase of 506% over 1969. In 1969 Ontario exported \$1.6 million worth of goods to Yugoslavia and \$791,000 in 1968. In 1970 Ontario represented 37% of total Canadian exports to Yugoslavia. In 1969, Ontario represented 20% of total Canadian exports compared to 12% in 1968. The increase in 1970 was accounted for, to a great extent by new sales of copper and alloys and railroad and rolling stock, the latter being by far the major item in Ontario's exports. The following items made up 96% of total Ontario exports in 1970.

Principal Ontario Exports

	<u>1968</u>	<u>1969</u> \$'000	<u>1970</u>
Rawhides and skins, except furs	5.1	272.9	299.3
Iron ores, concentrates and scrap	-	388.8	62.9
Copper in ores, conc. and scrap	458.9	411.8	751.0
Plastics and synthetic rubber, not shaped	-	284.6	25.2
R.R. and rolling stock	-	-	7,774.7
Copper and alloys	211.6	-	409.1

Canadian Imports from Yugoslavia

In 1970 Canada imported goods valued at \$7.2 million. Although Canada imports a number of items from Yugoslavia none is in very large volume. Items imported include glove and garment leather, cotton yarn, magnesia - dead, burned or sintered, and fuel oil.

Principal Canadian Imports from Yugoslavia

	<u>1968</u>	<u>1969</u> \$000's	<u>1970</u>
Cashew nuts	-	297	358
Glove and garment leather, n.e.s.	2	397	599
Cotton yarn, plied	461	457	423
Fuel oil No. 1 stove oil	427	428	608
Magnesia, dead burned or sintered	370	415	971
Ski boots	188	219	367
Furniture	159	304	268
Overcoats and topcoats	318	295	-
% of Total Canadian Imports	40%	50%	49%

Opportunities for Canadian Exporters

Yugoslavia will continue to need imported capital goods, technically sophisticated equipment and industrial expertise. High priority in the allocation of foreign exchange is expected to be accorded importers of these goods.

Great emphasis is being placed on investments in tourism, transportation, construction and agriculture.

The investment of loans by the World Bank in the infrastructure of Yugoslavia such as telecommunications, railways and highways as well as industrial expansion should offer opportunities for Ontario firms in these areas.

Industrial development is placing emphasis on developing light industries which process agricultural, and dairy products and equipment for these industries should be in demand. Good prospects lie in equipment lines which include meat processing, deep-freezing, packaging and labeling equipment.

As Yugoslavia steps up its mineral exploration and exploitation, the need for mining equipment and mineral processing machinery will expand rapidly.

The rise of the standard of living, increase in wholesale and retail trade and the development of the tourism and catering trades has resulted in a construction boom in hotels, restaurants, department stores and similar projects of standard and self-service type. Great attention is being paid to the equipment of these and opportunities for Ontario exporters should be found in these areas.

The largest Yugoslav imports, machinery and transport equipment are supplied for the most part by the U.S., Italy, Czechoslovakia and the U.S.S.R. Canada's share is small and could probably be expanded.

Yugoslavia's expanding motor vehicle industry has proved a profitable market for joint-ventures and advanced technical knowledge and expertise are still required in this area.

With the planned expansion of so many of its economic sectors and its desire to expand contacts with the western countries, Yugoslavia should be a profitable market for Ontario exporters.

ECONOMIC AND TRADE POLICY

1. Foreign Investment

Yugoslavia in the past resorted to loans to make up the shortage in capital. However, the limited amount of available loans was not adequate to fulfill the Yugoslav capital requirement and repayment imposed a strain on the balance-of-payments. With the increased need for capital Yugoslavia in 1967 passed regulations making foreign investment possible in Yugoslavia through joint ventures. Foreign investment was prohibited in banking, insurance, internal transportation and communications and public services, but encouraged in all other fields where foreign capital and know how would contribute to increasing productivity and exports.

Since 1967 some 30 western companies have invested approximately US\$66.8 million in Yugoslavia. The principal investor has been Italy with Fiat making a \$22 million investment in a motor vehicle plant at Crvena Zastava in Kragujevac. West Germany has also invested and in 1970 Dunlop of England entered a joint venture with Fadip to build a new factory to produce hydraulic wire braided hose.

However, foreign investment was not as great as Yugoslavia had hoped for or anticipated. More favourable conditions are being created by periodic revisions of the foreign investment legislation. A new law passed in 1969 permits foreign investors to use 33% of their convertible currency earnings from joint ventures for profit repatriation and amortization. Republics known as "developing areas" under federal law can reduce the Federal withholding tax of 35% on foreign companies' profits. In 1970, the Yugoslav Government lifted restrictions on imports of equipment and raw materials for joint ventures. The foreign investors' obligation to reinvest at least 20% of net profits in Yugoslavia or deposit in a Yugoslav bank is about to be lifted, and a bill is also under consideration to assure the foreign partners right to repatriate his remaining investment should the joint venture come to a premature end.

In 1970 the London-based International Investment Corporation for Yugoslavia (IICY) was set up to promote joint ventures between foreign companies and autonomous Yugoslav enterprises in industry, mining, tourism and agriculture. Charter holders are 15 leading Yugoslav banks, the International Finance Corporation of the World Bank and 40 banks from Western Europe, the U.S. and Japan. A similar corporation has been established in New York between Yugoslavia's Agricultural Bank and leading American Banks.

Projects which IICY have completed or on which it is now working, are principally joint ventures in the vehicle and associated industries for which a rapidly expanding market exists in Yugoslavia, the non-ferrous mineral and pulp and paper sectors

for which natural resources exist, and the chemical and petrochemical industries for which a substantial domestic market has developed.

Stabilization measures undertaken by the federal government at the beginning of this year, together with the devaluation of the dinar are bringing about a more realistic relationship between costs and price levels in Yugoslavia and those in convertible currency countries. This should create more favourable conditions for investments on a joint venture basis.

2. Planning

The Federal Executive Council's draft of the guidelines for the development plan of 1971-1975, should serve as a frame of reference for elaboration, and should provide an insight as to what is likely to take place.

One of the important aspects in the plan is to set up a clear criteria for tax allowances in order to remove uncertainty and encourage trade. One of the goals in trade policy is to achieve a favorable balance of trade by 1975. Trade with hard currency countries (Canada included), especially exports to them will receive strong support from the Government.

Another goal of the plan is the renovation of industrial facilities. The following table shows the proportion of industries which need overhauling:

Obsolescence* of Equipment in Yugoslav Economy, 1970

	<u>% of total value of equipment</u>
Coal	12
Ferrous metals	21
Non ferrous metals	13
Metal-Using Industries	23
Electrical Industry	39
Chemical	7
Building	5
Timber	16
Pulp and Paper	12
Textiles	10
Leather and footwear	15
Rubber	3
Foodstuffs	14
Tobacco	15
Printing	18

*The definition is by Yugoslav authority

Source: Economic Intelligence Unit: "Economic Trends in Yugoslavia," Quarterly Economic Review, June 1970

According to the plan, the annual production of crude steel should reach 6.5 million tons by 1975 (from the present 2.3 million tons), automobile production should reach 525,000-625,000 cars, electricity output should be 46 billion kwh (double the present output), and personal income should increase from its present \$600 per capita to \$1,000 per capita in 1975.

Among other long term objectives are:

- Improvement in labor productivity through training and re-organization
- Selection of key industries for investment
- Gradual improvement in domestic market mechanism and other systems of exchange of goods approaching the standard of the developed Western countries.
- Assistance to underdeveloped regions within Yugoslavia especially the Kosovo area.

3. Foreign Trade Regulation, Tariffs and Taxes

With full membership in GATT, Yugoslavia substantially reduced tariff rates on most items. At present about 35% of imports are duty free, and this proportion is expected to increase to 70-80% by 1975. A 40% duty is considered high, and most are between 20% and 35%. Generally, duties are high on consumer goods and low on raw materials and producers' goods.

Because of its chronic exchange deficit, foreign exchange is under strict control. All import commodities are classified into 6 categories, according to different methods of allocating foreign exchange.

4. Marketing Channels

The bulk of Yugoslav trade is conducted by about 1,000 trading enterprises, which are specially licenced to engage in foreign trade. These firms also effect international brokerage transactions, consignment and forwarding, the transportation of tourists and goods, and the execution of Yugoslav investments abroad.

There are several hundred Yugoslav enterprises, which are authorized to act as agents for foreign firms. They may store, sell from consignment, and import on their own account. However, no Yugoslav individual is permitted to represent foreign firms. Commission rates vary, but the average is about 8/9%, and the highest is 12%.

Companies setting up a permanent office must deposit \$48,000 in convertible currency in the Yugoslav National Bank as a guarantee that all appropriate duties and taxes will be paid. In addition, at least 50% of their employees must be Yugoslav nationals. Each firm may have one office, though branch offices may, in exceptional circumstances, be permitted.

Market research is not highly developed: there are only three such institutions in Yugoslavia, two in Zagreb and one in Ljubljana. Most of their research is relative to Yugoslav export possibilities.

5. In promoting their products, foreigners are permitted to advertise in all advertisement-carrying newspapers. There are a number of advertising agencies in Yugoslavia, but they are not yet very active.

There are 38 dailies with about 2 million circulation, and more than 900 periodicals.

Radio is the most popular medium but television is being more widely used and is increasing in its importance.

TABLE I

ONTARIO DOMESTIC EXPORTS TO YUGOSLAVIA BY COMMODITIES

1969 - 1970

<u>Commodity</u>	<u>1969</u>	<u>\$1,000</u>	<u>1970</u>
Other Live Animals	\$.0	\$	.5
Macaroni Products	\$.0	\$	1.0
Pickles, Sauces and Dressings	\$.0	\$	6.1
Materials for Food Preparations	\$ 5.0	\$	.0
Distilled Alcoholic Beverages	\$.3	\$	.0
Raw Hides and Skins, Exc. Fur Skins	\$ 272.9	\$	299.3
Seeds for Sowing	\$.0	\$	.0
Pulpwood	\$.0	\$	.0
Other Textile and Related Fibres	\$.0	\$	.4
Iron Ores, Concentrates and Scrap	\$ 388.8	\$	62.9
Copper in Ores, Concentrates, Scrap	\$ 411.8	\$	751.0
Asbestos, Unmanufactured	\$.0	\$	.0
Other Waste and Scrap Materials	\$.0	\$	.0
Wood Pulp and Similar Pulp	\$.0	\$	.0
Paper for Printing	\$.0	\$	.0
Yarn and Thread	\$ 59.3	\$	.0
Special Construction Fabrics	\$.0	\$	.0
Misc. Textile Fabricated Materials	\$.0	\$	.0
Chemical Elements	\$.0	\$	.0
Inorganic Bases and Metallic Oxides	\$.0	\$	3.5
Other Inorganic Chemicals	\$.0	\$	18.0
Other Organic Chemicals	\$.0	\$	11.0
Plastics and Syn Rubber, Not Shaped	\$ 284.6	\$	25.2
Paints and Related Products	\$.7	\$	34.1
Indus. Chem Specialties & Explosive	\$.5	\$	.4
Plate, Sheet and Strip, Steel	\$ 31.6	\$	.0
Aluminum, including Alloys	\$.0	\$	155.7
Copper and Alloys	\$.0	\$	409.1
Lead, including Alloys	\$.0	\$	.0
Nickel and Alloys	\$.0	\$	4.7
Bolts, Nuts, Etc and Basic Hardware	\$.0	\$	.0
Other Metal Fabricated Basic Prod.	\$.1	\$	.0
Other Fabricated Materials	\$.2	\$	.0
Compressors, Blowers & Vacuum Pumps	\$.0	\$	1.5
Other General Purpose Indus. Machy.	\$ 7.6	\$	29.5
Drilling, Mining, Oil and Gas Machy.	\$ 8.2	\$	32.1
Metal working Machinery	\$.4	\$	.0
Woodworking Machinery	\$.0	\$	.0
Other Special Industry Machinery	\$ 49.0	\$	8.2
Soil Prep, Seeding and Fert. Machy.	\$.2	\$	24.4
Haying, Harvesting & Related Machy.	\$ 1.0	\$	2.2
Other Agricultural Machinery, Equip.	\$.0	\$	5.7
Railway and Street RR Rolling Stock	\$.0	\$	7,774.7
Trucks and Truck Chassis	\$ 36.7	\$	.0
Other Motor Vehicles	\$.0	\$	.0
Other Road Motor Veh. Pts & Access.	\$ 2.1	\$	9.0

(Cont'd)

Ontario Domestic Exports To Yugoslavia By Commodities - Cont'd

<u>Commodity</u>	\$1,000	
	<u>1969</u>	<u>1970</u>
Ships and Boats	\$ 1.2	\$.4
Aircraft	\$.0	\$.5
Pneumatic Tires, New	\$.4	\$ 20.5
Comm. & Indus. Communication Equip.	\$.0	\$ 12.3
Communication & Rel Equip. Component	\$ 4.0	\$.0
Cooking Equipment for Food	\$ 1.1	\$.0
Electric Lighting and Control Equip.	\$.0	\$ 1.8
Laundry Equipment, Domestic	\$.4	\$.0
Measuring, Laboratory, Etc. Equip.	\$ 43.1	\$ 36.0
Furniture and Fixtures	\$ 1.0	\$.0
Miscellaneous Equipment	\$.0	\$.5
Outerwear, Except Knitted	\$.0	\$.0
Outerwear, Knitted	\$.0	\$.0
Miscellaneous Apparel	\$.0	\$ 1.9
Apparel Accessories	\$.0	\$.0
Jewellery and Silverware	\$.0	\$.3
Toys Games Sport & Recreation Equip.	\$.0	\$.1
House Furnishings and Supplies	\$.3	\$.3
Misc. Household and Personal Equip.	\$.0	\$ 2.1
Medicinal & Pharmaceutical Products	\$.0	\$ 1.7
Medical Suppl. Ophthalmic Goods Etc.	\$.0	\$.2
Printed Matter	\$ 1.0	\$.9
Stationers & Office Supplies & Mat.	\$.8	\$.0
Photographic Goods	\$.3	\$.0
Prefabricated Bldg. and Structures	\$.0	\$.4
Miscellaneous End Products	\$ 2.3	\$.0
Containers and Closures	\$.0	\$.0
Other End Prod., Classified by Mat.	\$.0	\$.0
Special Transactions - Trade	\$.6	\$.5
TOTAL FOR YUGOSLAVIA	<u>\$1,617.4</u>	<u>\$9,750.2</u>

TABLE II

CANADIAN DOMESTIC EXPORTS TO YUGOSLAVIA BY COMMODITIES
1969-1970

CLASS	COUNTRY AND COMMODITY	JANUARY 1970	FEBRUARY 1970	MARCH 1970	APRIL 1970	VALUE IN DOLLARS	CLASS
		QUANTITY	QUANTITY	QUANTITY	QUANTITY		
	YUGOSLAVIA						
999	LIVE ANIMALS N E S					500	999
6548	MACARONI PRODUCTS N E S					961	6548
9999	SAUCES, DRESSINGS AND SPREADS N E S	LB				8,100	9999
14410	GELATIN, EDIBLE	LB				18,470	14410
17340	WHISKY	P GAL	635	5,032		6,079	17340
20110	CATTLE HIDES, RAW	NO	30	295	76	1,004	20110
20120	CALF AND KIP SKINS, RAW	NO	28,641	291,401	24,212	229,364	20120
21199	SEEDS FOR SOWING N E S	LB	2,253	10,000	14,993	72,822	21199
23637	PULPWOOD, BALSAM FIR, SPRUCE PEELED	CORD	1,100	6,000			23637
23638	PULPWOOD, BALSAM FIR, SPRUCE UNPEEL	CORD			19,423	696,810	23638
23679	PULPWOOD, UNPEELED N E S	CORD			60,397	2,317,353	23679
24689	MAN-MADE FIBRES N E S	LB			4,046	153,009	24689
25199	SCRAP IRON AND STEEL N E S	TON			811	356	25199
25330	COPPER SCRAP	CWT	11,000	385,000	10,870	419,899	25330
25350	BRASS AND BRONZE SCRAP	CWT	37,325	1,421,000	28,807	1,592,764	25350
25739	ZINC, ZINC ALLOY SCRAP, DROSS ASHES	CWT	771	31,000	4,120	203,924	25739
27120	ASBESTOS MILLED FIBRES, GROUP 3 GR.	TON	361	113,000	6,300	22,500	27120
27130	ASBESTOS MILLED FIBRES, GROUP 4 & 5	TON	4,400	85,000	110	48,250	27130
27140	ASBESTOS SHORTS, GROUP 6-9 GRADES	TON	1	2,000	4,887	1,002,451	27140
29130	NEWSPRINT, BEATER STOCK, REJECTS	CWT			387	43,579	29130
34019	WOOD PULP DISSOLVING & SPECIAL ALPHA	CWT	44,108	386,000	22,040	63,916	34019
34020	WOOD PULP BL. SULPHATE PAPER GRADES	CWT	4,365	2,000	62,186	525,530	34020
34021	WOOD PULP BL. KRAFT PAPER GR. SOFT.	CWT					34021
34025	WOOD PULP BL. SULPHITE PAPER GRADES	CWT	22,017	155,000	59,500	444,037	34025
34040	WOOD PULP, SULPHITE, UNDL. STRONG	CWT	77,25	37,000	120,900	2,255,384	34040
35109	NEWSPRINT PAPER	CWT			21,000	128,208	35109
36159	YARN & THREAD, OF 1 MAN-MADE FIBRE	LB	77,969	50,000			36159
38176	PAPERMAKERS FELTS, TEXTILE	LB	2,525	1,000	7,753	46,627	38176
38999	TEXTILE FABRICATED MATERIALS N E S						38999
40099	CHEMICAL FILMENTS N E S	CWT	80	5,000	146	4,148	40099
40299	INORG. BASES & METALLIC OXIDES NES	CWT			176	3,520	40299
40535	RADIOACTIVE ELEMENTS AND ISOTOPES						40535
41774	ORGANO-INORGANIC COMPOUNDS	CWT			154	18,010	41774
42419	PLASTIC & SYN RUBBER NOT SHAPED NES	CWT			110	11,000	42419
42815	READY-MIXED PAINTS, INCL WHITE LEAD	GAL	105	2,000	2,140	25,160	42815
42816	STAINS, LACQUERS & RELATED PRD NES				3,240	33,062	42816
42819	INSECTICIDES AND RODENTICIDES	CWT				1,080	42819
42909	INDUS. CHEM SPECIALTIES & EXPLOSIVE	CWT					42909
44599	SHEET AND STRIP, STEEL N F S	CWT	5,117	21,000		438	44599
45109	ALUMINUM PIGS INGOTS SHOT SLABS ETC	CWT	22,000	60,000	123,375	3,255,722	45109

CLASS	COUNTRY AND COMMODITY		JANUARY TO DECEMBER 1969		JANUARY TO DECEMBER 1970		CLASS
			QUANTITY	VALUE IN DOLLARS	QUANTITY	VALUE IN DOLLARS	
45204	COPPER, REFINERY SHAPES	CWT	17,653	847,397	35,284	2,670,117	45204
45208	COPPER BARS, RODS AND SHAPES N E S	CWT			11,187	996,697	45208
45218	COPPER WIRE & CABLE, EXC. INSULATED	CWT	8,013	598,986	2,000	195,260	45218
45309	LEAD PIGS, BLOCKS AND SHOT	CWT			39,711	458,814	45309
45415	NICKEL ANODES CATHODES INGOTS RODS	CWT			11	4,650	45415
46599	BASIC HARDWARE N E S			4,609		6,721	46599
46965	STRUCT. & ARCHITECTURAL METAL PROD.			411			46965
46975	INSULATED WIRE AND CABLE	CWT	3	115			46975
46999	METAL FABRICATED BASIC PRODUCTS NES			268		1,164	46999
49652	GASKETS, EXCEPT RUBBER AND ASBESTOS			171			49652
49655	BOOT AND SHOE CUT STOCK & FINDINGS					465	49655
50739	AIR AND GAS COMPRESSORS AND PARTS			959		2,221	50739
50799	VACUUM PUMPS, FANS, BLOWERS & PARTS					674	50799
50980	PUMPS, PUMPING SYSTEMS AND PARTS			7,200		29,501	50980
52119	ROCK DRILLING & RELATED MACHY & PTS			34,565		22,017	52119
52199	MINING-QUARRYING MACHY & PARTS NES			326		36,571	52199
52349	WELDING APPARATUS, EQUIPMENT & PTS			2,272		175	52349
52415	PARTS & ACCESSORIES FOR CHAIN SAWS					40,142	52415
52929	CONSTRUCTION MAINTENANCE MACHY & PT			567,455		57,522	52929
52936	CHEMICAL PHARM PROD MACHY AND PARTS			6,176			52936
52979	TEXTILE INDUSTRIES MACHY AND PARTS			10,012		18,273	52979
52999	SPECIAL INDUSTRY MACHY & PARTS NES					2,001	52999
54116	PLOUGHS AND PARTS N E S	NO	1	200			54116
54129	DISC HARROWS AND PARTS	NO			13	24,361	54129
54309	MOWERS	NO	1	1,017	2	2,176	54309
54999	AGRICULTURAL MACHY AND PARTS N E S					5,456	54999
57029	LOCOMOTIVES & TENDERS, ENGINES & PT	NO			31	7,774,726	57029
58339	TRUCKS AND CHASSIS, COMMERCIAL NES	NO	1	36,715			58339
58742	SNOWMOBILES PLEASURE & SPORT. & PTS	NO			2	1,204	58742
58999	PARTS & ACCESS. FOR MOTOR VEH. NES			2,212		9,027	58999
59015	PLEASURE SPORT CRAFT SELF-PROPELLED	NO				1,450	59015
59029	MARINE ENGINES AND PARTS	NO			1	377	59029
59039	PTS & ACCESS. FOR SHIPS & BOATS NES			1,185		109	59039
60039	AIRCRAFT ENGINES AND PARTS	NO		223,893		35,747	60039
60099	AIRCRAFT ASSEMBLIES EQUIP & PTS NES			14,450		828	60099
62109	TRUCK AND BUS TIRES, PNEUMATIC, NEW	NO	1	464	10	20,448	62109
63439	RADAR EQUIP & RELATED DEVICES & PTS					1,355	63439
63490	RADIO TRANSMITTING-RECEIVING UNITS					10,842	63490
63499	COMMERCIAL COMMUNICATION EQUIP NES			220			63499
63998	ELECTRONIC EQUIPMENT COMPONENTS NES			5,137			63998
66099	NON-ELECTRIC EQUIP FOR COOKING & PT			1,110			66099
68039	TRANSFORMERS AND PARTS					793	68039
68049	SWITCHGEAR & PROTECT EQUIP & PT NES					981	68049
69809	WASHING MACH ELECTRIC DOMESTIC SIZE	NO	4	434			69809
70019	NAVIGATION INSTRUMENTS APPAR. & PTS					2,100	70019
70069	MEDICAL & REL. INSTR EQUIP & PT NES			43,001			70069
70079	LAB. OPTICAL INSTR. EQUIP & PTS NES					37,551	70079
70099	MEASURING & TESTING EQUIP & PTS NES					4,000	70099
74012	FURNITURE, WOODEN, HHOLD, NOT UPHOL					6.7	74012
74014	FURNITURE, METAL, HHOLD, NOT UPHOL			1,006			74014
77924	VENDING MACHINES AND PARTS					475	77924
78317	OUTDOOR JACKETS	NO	72	1,400			78317
78318	OVERCOATS AND TOPCOATS	NO	18	2.7			78318
78499	OUTERWEAR, KNITTED N E S	NO	24	1.7			78499
78809	FUR GOODS, APPAREL					6,100	78809
78999	APPAREL ACCESSORIES N E S					801	78999
81029	JEWELLERY AND COSTUME JEWELLERY NES					250	81029
83026	SKATES, ICE	PAIR	14,000	15,000	26,000	50,000	83026
83099	SPORTING RECREATION EQUIP & PTS NES			1,000		100	83099
84039	CARPETS MATS, SIMIL. FLOOR COVERING					211	84039
86099	HOUSEHOLD & PERSONAL EQUIP & PT NES					2,000	86099
87019	BIOLOGICAL PRODUCTS FOR HUMANS						87019
87099	MEDICINAL & PHARMACEUTICAL PROD NES					1,000	87099
88069	HEARING AIDS ORTHOPAEDIC APPL & PTS					100	88069
89090	ADVERTISING MATTER PRINTED N E S						89090
89099	PRINTED MATTER N E S					1,000	89099
90019	STATIONERY & PAPER OFFICE SUPPL NES					1,000	90019
90099	STATIONERS AND OFFICE SUPPLIES NES						90099
91089	PHOTO FILM & PLATES SOLD EXPOS NES						91089
94141	PREFABRICATED FENCE, FENCE SECTIONS					10	94141
94929	SIGNS AND ADVERTISING DISPLAYS NES					1.5	94929
94949	BUTTONS, NEEDLES PINS NOTIONS & PTS			1,000		10	94949
94966	NON-ELEC. LIGHTING FIXTURES & PARTS			2,000			94966
94995	NOVELTIES AND ART GOODS N E S					100	94995
94999	MISCELLANEOUS END PRODUCTS N E S					1,000	94999
95079	SHIPPING CONTAINERS, PLASTIC & PTS					1,000	95079
96059	TEXTILE END PRODUCTS N E S						96059
97075	SHIPMENTS OF LESS THAN \$100.00 EACH			2,000		1,000	97075
COUNTRY TOTAL				8,027,001		26,916,000	

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1969		JANUARY TO DECEMBER 1970		CLASS
		QUANTITY	VALUE	QUANTITY	VALUE	
			\$		\$	
79012	BOOTS & SHOES MENS & BOYS LAST-MADE PAIR	45	264	45	270	79012
79014	BOOTS SHOES WOMEN & GIRLS LAST-MADE PAIR	535	2,150	7,255	41,909	79014
79039	SLIPPERS AND HOUSE FOOTWEAR PAIR			574	1,173	79039
79046	UTILITY FOOTWEAR, FABRIC TOPS PAIR	2,500	7,118			79046
79081	SKI BOOTS PAIR	19,832	219,430	29,892	366,530	79081
79099	FOOTWEAR N E S PAIR	43,016	150,228	71,133	272,059	79099
80049	TOILET PREPARATIONS & COSMETICS NES		38,790			80049
83237	SKIS PAIR	7,280	104,923	8,677	113,353	83237
83289	SPORTING RECREATION EQUIP & PTS NES		8,218		1,433	83289
83709	GAMES AND ENTERTAINMENT EQUIP N E S		1,790		167	83709
83736	ELECTRIC TOYS AND PARTS		1,890		4,541	83736
83789	TOYS AND PARTS N E S				6,914	83789
84432	ORIENTAL RUGS, GENUINE SQ FT			1,259	583	84432
84499	CARPETS, RUGS, MATS AND RUNNERS NES		1,344			84499
84639	BLANKETS N E S NO	209	4,093			84639
84711	TABLECLOTHS LB	150,226	105,606	98,638	72,114	84711
84803	TOWELS, COTTON, TERRY LB	39,404	29,737	47,249	35,506	84803
84999	HOUSE FURNISHINGS AND SUPPLIES NES		924			84999
85013	COOK. UTENSILS VITREOUS ENAMEL & PT		92,444		78,080	85013
85039	FOOD PREP. AND STORAGE UTENSILS NES		36,395		15,794	85039
85044	FOOD CHOPPERS, CUTTERS, HAND & PTS		2,534			85044
85049	KITCHEN TOOLS & HAND APPL & PTS NES		18,466		5,875	85049
85059	KITCHEN AND TABLE CUTLERY N E S		12,230		7,898	85059
85062	TABLEWARE, CERAMIC		351		178	85062
85063	TUMBLER & STEMWARE GLASS OR CRYSTAL		38,626		56,542	85063
85069	TABLEWARE N E S		1,991		10,526	85069
86216	PARTS OF DOMESTIC SEWING MACHINES		1,307		7,834	86216
86712	TRAYS		304			86712
86716	HHOLD BASKETS BOXES CANS & BAGS NES		34,746		67,648	86716
86732	ART AND DECORATIVE WARE N E S		2,690		3,772	86732
86739	WARDROBE ACCESSORIES, BAGS, COVERS		50,095		48,676	86739
86799	HOUSEHOLD & PERSONAL EQUIP & PT NES		10,889		1,533	86799
87199	BIOLOGICAL PRODUCTS FOR HUMANS NES				2,258	87199
87299	ANTIBIOTICS N E S		20,575		7,244	87299
87405	ASCORBIC ACID, VITAMIN C, AND SALTS		1,263		2,399	87405
87499	VITAMINS AND PREPARATIONS N E S		1,008		3,629	87499
87950	SULFONAMIDES AND THEIR SALTS		681		9,310	87950
89104	NEWSPAPER SUPPLEMENTS SECTIONS & PT		715		342	89104
89108	NEWSPAPERS, UNBOUND N E S		30,950		24,133	89108
89129	MAGAZINES AND PERIODICALS N E S		808		14,737	89129
89341	BOOKS AND PAMPHLETS NES EXC ENGLISH		850		4,021	89341
89349	BOOKS AND PAMPHLETS N E S		737		345	89349
89589	ADVERTISING MATTER PRINTED N E S				250	89589
90504	ARTISTS BRUSHES AND HAIR PENCILS		1,305			90504
91204	PROJECTORS, STILL PICTURE	500	2,926			91204
91813	MOTION PICTURE FILM, SOLD, EXPOSED FT	7,546	604	27,488	2,199	91813
92199	MUSICAL INSTRUMENTS AND PARTS N E S				875	92199
94604	DRAWINGS, ETCHINGS & ENGRAVING ORIG NO	116	5,863			94604
94608	PAINTINGS AND PASTELS, MADE BY HAND NO			36	22,116	94608
94620	SCULPTURES AND STATUES, ORIGINAL NO	5	2,640	1	945	94620
94640	COLLECTIONS & COLLECTORS ITEMS NES				3,263	94640
94966	NOV-ELEC LIGHTING FIXTURES & PT NES				276	94966
94995	NOVELTIES AND ART GOODS N E S		3,926			94995
95066	SHIPPING CONTAINERS WOODEN & PT NES		507			95066
96109	LEATHER END PRODUCTS N E S		2,267			96109
96159	TEXTILE END PRODUCTS N E S				623	96159
97010	IMPORT PACKING, RE-USABLE NOT DESCR		47,712		49,016	97010
97030	GOODS RETURNED WITHIN FIVE YEARS		35,091		12,359	97030
97075	SHIPMENTS OF LESS THAN \$200.00 EACH		30,081		33,627	97075
			5,631,686		7,247,978	

Source: D.B.S.

